

GOVERNMENT OF ANDHRA PRADESH
ABSTRACT

Mines & Minerals – Mining Lease held by M/s. Shri Vijay Lakshmi Industries Limited for Limestone over an extent of 457.335 Hectares in Sy.No.655, 657, 668 etc., of Cherlopalli Village and Sy.No.1,11 & 565 of Petnikota Village, Kolimigundla Mandal, Kurnool District, declared as lapsed under Rule 28 (1) of Mineral Concession Rules, 1960 – Orders- Issued.

INDUSTRIES & COMMERCE (MINES-I) DEPARTMENT

G.O.Ms.No. 88

Dated:07.08.2011
Read the following :-

- 1) G.O.Ms.No.275, Ind. & Com.(M.I) Dept., dated 11-11-2004.
- 2) G.O.Ms.No.292, Ind. & Com. (M-I) Dept., dated 3-12-2004
- 3) Government Memo.No.10081/M.I(1)/2008, dated 22.10.2008.
- 4) From the Director of Mines & Geology, Hyderabad F.No.57013/R4-2/2010, dated 13.04.2011.
- 5) Government Memo No. 5099/M.I(1)/2011, dated 02.05.2011.
- 6) Reply of the Director, M/s. Shri Vijay Lakshmi Industries, dated 13.06.2011.

ORDER:-

In the reference 1st & 2nd read above, Government have granted the Mining lease for Limestone over an extent of 457.335 Hectares in Sy.No.655, 657, 668 etc., of Cherlopalli Village and Sy.No.1,11 & 565 of Petnikota Village, Kolimigundla Mandal, Kurnool District, in favour of M/s. Shri Vijay Lakshmi Industries Limited for a period of 20 years. The Mining Lease was executed on 11-1-2005 and it will be in force up to 10-01-2025.

2. In the reference 3rd read above, based on the recommendations of the Director of Mines & Geology, Government have granted extension of time for a further period of 2 years to M/s. Shri Vijay Lakshmi Industries Limited to establish Cement unit and commence the mining operations, with a condition that further extension of time will not be given under any circumstances.

3. In the reference 4th read above, the Director of Mines & Geology has requested the Government to declare the Mining lease for Limestone over an extent of 457.335 Hectares in Sy.No.655, 657, 668 etc., of Cherlopalli Village and Sy.No.1,11 & 565 of Petnikota Village, Kolimigundla Mandal, Kurnool District, granted in favour of M/s. Shri Vijay Lakshmi Industries Limited as lapsed w.e.f. 11-1-2007 under Rule 28(1) of M.C. Rules, 1960 since the lessee failed to establish the Cement Unit within 36 months and did not commence the mining operations since execution of mining lease deed i.e 11.01.2005. Even they did not initiate any action in that direction within the extended period of 2 years granted by the Government. The lessee company appears to be not sincere in its efforts, and again seeking 3 years further extension for establishment of Cement plant and now stating they are subsidiary of M/s. Penna Cement Industries Ltd. and this subsidiary fact was not brought to the notice of Government earlier. The DM&G also reported that, M/s. Shri Vijay Lakshmi Industries Limited did not file any application under rule 28 (2) of Mineral Concession Rules, 1960.

4. Therefore, Government have proposed to declare the Mining lease for Limestone over an extent of 457.335 Hectares in Sy.No.655, 657, 668 etc., of Cherlopalli Village and Sy.No.1,11 & 565 of Petnikota Village, Kolimigundla Mandal, Kurnool District, held by M/s. Shri Vijay Lakshmi Industries Limited as lapsed w.e.f. 11-1-2007 under Rule 28 (1) of M.C. Rules, 1960 for the reasons stated in para (3) above. Accordingly a Show Cause Notice vide reference 5th read above was issued to the lessee company to submit their explanation, as to why action as proposed in para-3 above shall not be taken within 60 days, failing which, further action will be taken on the basis of the material available with the Government.

5. In their reply vide reference 6th read above, the Director of M/s. Shri Vijay Lakshmi Industries Limited have submitted their explanation stating that, they were unable to commence their mining lease executed on 11-1-2005 and granted them permission with an extension of time 2 years. They are a wholly owned subsidiary company of M/s. Penna Cement Industries Limited. Despite their best

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efforts, they were unable to commence mining operations for delay in acquisition of surface rights over some areas and delay in getting the possession of the total leased area. Their initial plan was to set up a medium size cement plant at Cherlopalli and to that effect efforts were made. However, changed market conditions and shift in corporate strategy led to a change in decision and in turn a mega plant has to be set up by their Principals i.e., M/s. Penna cement Industries Limited based on the leased area, to yield the main raw material of Limestone. They are also looking into the possibility of having a rail link to facilitate Clinker and Cement movement. Being one of the largest manufacturers of cement in the State, they would not leave any opportunity to set up a new plant and expand their operations. They have requested the Government to consider this case as an isolated instance where they are unable to commence operations for reasons strictly beyond their control. They have requested the Government to drop the proposed determination of the mining lease executed by M/s. Shri Vijay Lakshmi Industries Limited and grant extension of 3 years time, so that, they will take concrete action to set up the Cement Unit within this time.

6. Government after careful examination of the reply furnished by the Director of M/s. Shri Vijay Lakshmi Industries Limited have decided to determine the Mining Lease for Limestone over an extent of 457.335 Hectares in Sy.No.655, 657, 668 etc., of Cherlopalli Village and Sy.No.1,11 & 565 of Petnikota Village, Kolimigundla Mandal, Kurnool District, held by M/s. Shri Vijay Lakshmi Industries Limited as lapsed w.e.f. 11-1-2007 under Rule 28(1) of M.C. Rules, 1960 for the reasons that the lessee company has not taken tangible action to prove their seriousness and not made any sincere efforts to erect the cement plant and did not commence the mining operations for the last 6 ½ years, inspite of grant of extension of time as stated above. They could not get surface rights/ possession of the mining lease area for all these years as admitted by them.

7. Therefore, Government, hereby declare the Mining lease for Limestone over an extent of 457.335 Hectors in Sy.No.655, 657, 668 etc., of Cherlopalli Village and Sy.No.1, 11 & 565 of Petnikota Village, Kolimigundla Mandal, Kurnool District, held by M/s. Shri Vijay Lakshmi Industries Limited as lapsed w.e.f. 11-1-2007 under Rule 28(1) of M.C. Rules, 1960.

8. The Director of Mines and Geology, Hyderabad is requested to take necessary further action in the matter accordingly.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

Dr. PREM CHAND
PRINCIPAL SECRETARY TO GOVERNMENT

To
The Director of Mines & Geology, Hyderabad (with file)
M/s. Vijay Lakshmi Industries Limited,
Plot No. 705, Sriniketan Colony,
Road No.3, Banjara Hills,
Hyderabad -500034 (By RPAD)

M/s. Vijay Lakshmi Industries Limited,
Plot No. 652,
Road No.3, Banjara Hills,
Hyderabad -500034 (By RPAD)

Copy to:

The Assistant Director of Mines and Geology, Kurnool, Kurnool District
SF/SCs.(C. No. 5099/M.I(1)/2011)

//FORWARDED::BY ORDER//

SECTION OFFICER